

~~Administrative Internal Use Only~~

25 AUG 1975

MEMORANDUM FOR: Director of Logistics

SUBJECT : Supply Division (SD)/Procurement Division (PD)
Reorganization

1. You asked for my comments concerning Chief, Procurement Division's proposed organization under the "small purchases" concept, and his projected saving of four positions initially. In that regard, I think he is being conservative and, perhaps, that is the way to play it until we see it work for a while.

2. I think I am more concerned with the SD position that the "quick reaction" goal of the Small Purchases Branch (SPB) will be diluted by having to pass such transactions through PD first. I asked [REDACTED] to take STATINTL a random sample of SPB business to see whether SPB was really that closely wedded to the quick reaction philosophy. John decided that a week between receipt of the requisition and the customer's required date might be considered a quick reaction requirement. Of between 80 and 90 random cases examined, only 12 percent fell in that category. I wonder, then, whether quick reaction is such a great concern and whether that should be allowed to detract from what otherwise seems like a more efficient procurement organization proposal.

3. I agree that there will be more data input requirements for SD but, as I stated at the meeting on 15 August, I have no feel for the net increase. Since certain manual operations could be automated, the net workload might not increase significantly.

STATINTL

[REDACTED]
Chief

Plans and Programs Staff, OL

OL 5 4337